

*File*

4 March 1963

MEMORANDUM FOR: Assistant for Plans and Development

THROUGH : Executive Secretary, TDC

SUBJECT : Staff Study - Additional Funds for Design of [ ] Model  
45 Multimotion Light Table

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PROBLEM:

To provide a mobile light table and instrument mount as a supplementary viewing device for interpreters.

ASSUMPTION:

That such a device is still required and that the staff work contained in Technical Plans and Development Staff memorandum dated 13 April 1962 is still valid.

DISCUSSION:

a. In the spring of 1962 [ ] presented an unsolicited light table design to members of this office for evaluation and procurement consideration. [ ] commented that [ ] was building this device for their own use and that he felt that it had application at MPIC. The design was evaluated by key photo interpreters throughout the building and a majority agreed that a supplementary light table and microscope mount was indeed required. Twelve of these instruments were therefore ordered at [ ] each.

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b. [ ] then left [ ] and organized his own company taking with him several people who had contributed to the original design concept. At this point, it also became known that no such device had ever been built for internal use at [ ] and that the design was not even ready for manufacture. However, the Company had produced similar products in a satisfactory manner before, and therefore they were allowed to proceed, since the design objectives contained in the contract statement of work seemed adequate.

c. A disproportionate amount of contract funds were used to correct design errors arising from lack of knowledge of MPIC's operational procedures. This gap in knowledge of operational procedures was the direct result of [ ] and friends leaving [ ]

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Declass Review by NGA.

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d. A prototype instrument was delivered under the fixed price contract in September 1962. This instrument was judged entirely unsatisfactory. Technical Plans and Development Staff memorandum to Logistics Branch dated 15 October 1962 specifies the reasons why the instrument was unsatisfactory.

e. Discussions with Office of Logistics contracts people have indicated that the Government is in a weak position on forcing [ ] to redesign the table to acceptable quality without additional funding. In addition, contracts people feel that the Government was at fault in negotiating a fixed price contract for an entirely new light table design concept.

f. [ ] has, as a result of a design conference in [ ] 14 January 1963, produced a new design drawing and proposes to correct the deficiencies and deliver 12 new instruments for [ ] in additional funds.

CONCLUSIONS:

a. The Government is in a weak position to recover anything other than 12 nearly useless instruments under this contract.

b. [ ] has demonstrated good faith in redesigning the instrument and offering to absorb part of the cost to remanufacture these instruments.

c. By renegotiating the contract and adding [ ] in funds the Government can expect to get satisfactory instruments required for efficient operations.

d. To cancel the contract with [ ] and negotiate another contract with another company for these instruments would cost the Government considerably more than the amount required for [ ] to complete the development.


RECOMMENDATIONS:

a. That the contract with [ ] be amended to provide [ ] in additional funds to manufacture 12 light tables in accordance with the drawing PA-1026 and the revised work statement attached.

b. That delivery under the contract be specified as on or before 30 June 1963.

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c. That manufacturing drawings for the instrument are the property of the Government and are to be delivered upon completion of the contract.

  
Development Branch, R&D

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APPROVED: \_\_\_\_\_  
Executive Director, NPHC

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Date

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